

PROPOSED RESOLUTION

Resolution W-5166
WD

Agenda ID #16435 (Rev. 1)
Item #42

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION W-5166
April 26, 2018

RESOLUTION

**(RES. W-5166) TIMBERLAND WATER COMPANY
(TIMBERLAND). ORDER REVOKING THE CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY (CPCN) OF
TIMBERLAND.**

SUMMARY

This Resolution revokes the CPCN of Timberland Water Company (Timberland) as the utility was condemned by the Tahoe City Public Utility District (TCPUD) in a Superior Court proceeding. TCPUD began providing water service to Timberland's former customers beginning on January 2, 2018.

BACKGROUND

Timberland is a Class D investor-owned water utility with 135 service connections. Timberland's service area is located about three miles south of Tahoe City in Placer County. Timberland's water system consists of one main water well with an estimated pumping capacity of 100 gallons per minute (gpm), and a 30,000 gallon capacity storage tank. The Timberland water system has a secondary water well which the company can only use during system emergencies since the well is not approved by Placer County Environmental Health Services (PCEHS) for use as a permanent or standby source due to the well construction and proximity to a sewer line. Timberland's water distribution system has approximately 11,487 feet of water mains ranging from two to eight inches in diameter.

On December 1, 2017, the TCPUD filed Case No. SCV0040410 before Commissioner Michael Jacques of the Superior Court of the State of California, County of Placer (Court). In the Final Order of Condemnation, the Court notes that TCPUD has paid "the total sum awarded by the court as just compensation" for all of the issued and outstanding stock and assets of Timberland. By letter dated March 5, 2018, TCPUD informed the Division that TCPUD acquired via condemnation the operational assets, water rights and right to provide service of Timberland. A copy of the Final Order of Condemnation executed by Placer County Judge Wachob in Placer County was

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attached to this letter as well, and Judgment was entered in this case on December 21, 2017. TCPUD has already applied for the transfer of the Domestic Water Supply Permits with the State Water Resources Control Board, Division of Drinking Water. Separately, by e-mail dated March 16, 2018 to the Water Division, the firm representing Timberland informed the Division of the condemnation and that TCPUD began providing water service to Timberland's former customers beginning on January 2, 2018.

Timberland was granted a CPCN as Timberland Water Company on September 26, 1966 by Decision (D.) 71256. Timberland's last general rate increase was approved on August 27, 2015, pursuant to Resolution W-5056, which authorized an increase of \$14,575, or 12.29%, and a rate of return of 11.50%.

NOTICE AND PROTESTS

No notice was supplied with the letters from TCPUD and Timberland.

DISCUSSION

At this point, Timberland no longer owns or operates a "water system" as defined in Public Utilities Code section 240 and is no longer a "water corporation" as defined in Public Utilities Code section 241. Since January 2, 2018, it has not provided water service to the public. It therefore no longer meets the definition of a water utility under Public Utilities Code section 2701. It would thus be appropriate at this point to revoke the certificate of public convenience and necessity for Timberland Water Company.

COMMENTS

This is an uncontested matter subject to the public notice comment exclusion provided in Public Utilities Code Section 311(g)(3).

SAFETY

As this resolution pertains solely to the transfer of Timberland to TCPUD through a Superior Court proceeding, there are no related safety issues.

COMPLIANCE

There are no outstanding Commission orders requiring system improvements. The utilities have been filing annual reports as required.

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FINDINGS

1. Timberland Water Company has been acquired by Tahoe City Public Utilities District in a Superior Court proceeding.
2. Timberland Water Company no longer provide water service to the public.
3. Timberland Water Company no longer meet the definition of Water Utilities as provided in Section 2701 of the Public Utilities Code.
4. Revocation of the Certificate of Public Convenience and Necessity of Timberland Water Company is reasonable.
5. Timberland Water Company should be removed from the list of water utilities regulated by this Commission.
6. Timberland Water Company's tariff books and associated tariffs should be properly archived by the Commission.

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THEREFORE, IT IS ORDERED THAT:

1. Timberland Water Company's Certificate of Public Convenience and Necessity is revoked.
2. All Commission records of the Timberland Water Company shall be properly marked and disposed of or stored, as appropriate.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at the Public Utilities Commission of the State of California on April 26, 2018; the following Commissioners voting favorably thereon:

ALICE STEBBINS
Executive Director

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TIMBERLAND WATER COMPANY SERVICE LIST

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